

YORK (Pa.)

GAZETTE Approved For Release 2000/04/13 : CIA-RDP70-00058R000100150188-6

Circ.: m. 35,772

JAN 17 1961

Front Page  
Ed. Page  
Other Page

Date:

**We'll Still Be Saddled With Big Business Government**

Regime

**The Power Elite Takes Over Kennedy**

By VICTOR F. HLO

New York Economic Consultant

(Special to The Gazette and Daily)

One of the best post-war science-fiction novels is "The Space Merchants." Among the features of the future America it describes is that members of Congress are no longer elected by states, but by corporations—e.g., there would be 12 senators from du Pont.

The Eisenhower Administration brought us a giant step closer to that fantastic picture, so far as the all-important executive branch of government is concerned. To the disappointment of his liberal supporters, Kennedy has carried the process forward.

The power of government today is centered in the State, Defense and Treasury departments and the Central Intelligence Agency. These agencies handle the world affairs of the United States, to which our domestic affairs, for better or worse, have become largely subordinated.

Compare the four key jobholders under Eisenhower (first term) and under Kennedy:

**Appointment Parallels**

John Foster Dulles resigned from the chairmanship of the Rockefeller Foundation to become Secretary of State; Dean Rusk left the presidency of the same foundation for the same job. He is a veteran big business and government administrator—dubbed "the man in the gray Oxford suit" for his Rhodes scholarship and manner.

As Defense Secretary Charles E. Wilson was president of General Motors, Robert McNamara of Ford, Treasury Secretary George Humphrey was head of the powerful Hanna financial-industrial group of Cleveland, Douglas Dillon of the leading Wall Street house of Dillon, Read.

A. W. Dulles, the carryover CIA head had the same business background as his brother—a Wall Street lawyer and corporation director, representing Standard Oil and generally close to the Rockefellers.

Wall Street has more of a clean sweep this time. Humphrey, despite strong Wall Street connections, headed a rival group, so Wall Street had only three out of four key jobs under Eisenhower.

As for McNamara, it is true that old Henry Ford was a maverick, but the present Ford generation, since it sold stock to the public and permitted outside participa-

tion in its affairs, has oriented to Wall Street institutions and personnel, its closest tie being with the First National City Bank. Under Kennedy Wall Street starts out with at least 3½ out of four key jobs.

We are saddled with a particular kind of big business government. It is operated by the owners and trusted executives of the cartelized financial power center in downtown New York from which most of the strings which manipulate American business emanate.

The Rockefeller-oriented appointees in the new Kennedy Administration make as impressive a list as those in the first Eisenhower Administration, and surpass what could have been expected from Nixon, Rusk and Dulles represent two of the four top jobs in the hands of close Rockefeller associates.

**Three Rockefeller Men**

Of the 10 second-line jobs in these key agencies filled by January 8, three went to Rockefeller associates, personal or financial. The biggest buildup has been given to the new State Department disarmament chief, John J. McCloy. He has been in the Rockefeller camp for the past 15 years, first as a partner in the family law firm, Milbank, Tweed, Hope, and Hadley, then as board chairman of the family's Chase Manhattan Bank, with high-ranking government service intervening.

Working with McCloy on disarmament for the Defense Department will be Paul Nitze. Nitze is a former partner in Dillon, Read, but his main family money comes through his wife, the former Phyllis Pratt, daughter of a founder of Standard Oil.

Over Nitze administratively will be Deputy Secretary of Defense Roswell L. Gilpatric. He is a partner in Cravath, Swaine, & Moore, famous law firm of the Wall Street house of Kuhn Loeb & Co., and of Bethlehem Steel and other Kuhn Loeb-financed companies. In 1959, when Nelson Rockefeller was driving for the presidency, Gilpatric organized a group known as "Democrats for Rockefeller."

**Oilman For The Navy**

Here are other top appointments in the key agencies:

John B. Connally, Jr., Secretary of the Navy, intimate business associate of Texas oilman Sid Richardson.

Eugene M. Zuckert, Secretary of the Air Force, long-time associate of Senator W. Stuart Symington, wealthy friend of the aircraft magnates. A Symington law partner, Henry Fowle, was given a top Treasury job.

W. Averell Harriman, Ambassador-at-

large, of the top Wall Street house, Brown Brothers Harriman & Co.

Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, vice president of the Federal Reserve Bank of New York, central agency of the Wall Street bankers.

Through what secret methods and private channels were the affairs of state parcelled out among the Wall Street houses?

Most conspicuous and successful of Kennedy's job consultants was Wall Streeter Robert A. Lovett, partner in Brown Brothers Harriman and director of many corporations—he is married into the Brown family of the partnership. Lovett was the final Secretary of Defense in the Truman Administration, after playing a prominent role throughout it in foreign and military affairs.

Kennedy is a very wealthy young man who could move in the most aristocratic financial circles, and presumably was acquainted with Lovett. But there is no evidence that they were particularly close friends, nor that Lovett had played any special role in Kennedy's political career or in Democratic party affairs.

**Conservative Enough**

Was Lovett transmitting a distribution of the jobs agreed on by some private Wall Street committee? More than once Kennedy has been reported in the company of his friend, investment banker Charles Spalding. Does Spalding have a part in the appointment procedure?

The public has the right to know more about the method of appointment of those key officials who are given powers that can determine our national future.

Joseph P. Kennedy planned for years and spent millions to put his son in the White House. Less certain is the father's influence on John Kennedy's appointments. A large-scale real estate operator, Kennedy has long-standing connections with important Boston and New York financial interests. While the two generations claim to differ on politics, the key appointments were certainly conservative enough to please the father.

Nelson Rockefeller has been prominent among opponents of disarmament, or any other relaxation of the cold war. So have Rockefeller-Standard Oil personnel generally. On that account the Rusk, McCloy and Nitze appointments cannot be considered promising for the cause of disarmament.

Still Rusk and McCloy may show minds of their own in the Kennedy Administration. In 1958 the Rockefellers issued their